

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|---------------------------------|---|-----------------|
| GIFFORD SEYMOUR BLYTON |) | |
| |) | |
| COMPLAINANT |) | |
| |) | |
| VS. |) | CASE NO. 92-427 |
| |) | |
| KENTUCKY-AMERICAN WATER COMPANY |) | |
| |) | |
| DEFENDANT |) | |

O R D E R

On October 2, 1992, Gifford Seymour Blyton ("Mr. Blyton") filed a complaint against Kentucky-American Water Company, Inc. ("Kentucky-American") alleging that Kentucky-American had billed him for more water than he actually consumed during the period of August 15, 1991 through November 15, 1991. Kentucky-American filed its answer on October 21, 1992 denying the allegation and stating affirmatively that it only billed Mr. Blyton for water consumed during the period. A hearing was held before the Commission on January 22, 1993 at which both parties appeared, Mr. Blyton without representation by counsel.

FINDINGS OF FACT

Kentucky-American is a corporation that owns and operates facilities used in distributing and furnishing water to or for the public for compensation. Its principal offices are located in Lexington, Kentucky. Mr. Blyton and his wife reside in Lexington

and are customers of Kentucky-American. The water purchased by Mr. Blyton is used for residential purposes.

Customers of Kentucky-American are billed each quarter for the water they consume in accordance with Kentucky-American's published tariffs. The bills are based on the volume of water delivered and measured by individual water meters installed on each customer's premises. The meters are read every month by meter readers employed by Kentucky-American. On or about November 11, 1991, Mr. Blyton received a water bill for \$262.81. The bill was for the period of August 15, 1991 through November 15, 1991, the date the meter was read and based on consumption of 134,640 gallons.

Due to the unusual increase in his bill, Mr. Blyton asked to have an employee of Kentucky-American inspect the property for leaks and check the meter reading. This was done on November 26, 1991 and the employee found no evidence of a leak or any other reason for the increased usage. As part of the investigation, the employee also read the meter. Apparently, the employee did not read the meter correctly. As a result, the meter was reread on November 27, 1991 and registered at 912.41. Another reading was taken on December 3, 1991 at 913.37, tending to confirm the accuracy of the November 15th reading of 909 for which Mr. Blyton was billed.

Also at the request of Mr. Blyton, Kentucky-American had the meter tested for accuracy on January 9, 1992 by a meter tester certified by this Commission. The meter tested at 100.2 percent overall accuracy. Although 100.2 percent was within the

Commission's standards of accuracy, Kentucky-American replaced the meter anyway. According to Kentucky-American, the meter was replaced due to a low flow test reading of 86 percent which was not within Kentucky-American's 90 percent standard of accuracy for a low flow test.

During the time the allegedly high bill was being investigated, the original meter was moved to Kentucky-American's facilities and a substitute meter was placed at the Blyton residence. Because the meter reader was not aware of the change in the meter, he made a mistake in reading the meter which resulted in an incorrect high billing for Mr. Blyton on February 17, 1992. Kentucky-American discovered the mistake, notified Mr. Blyton, and corrected the bill.

Mr. Blyton maintains that it is not possible that he and his wife consumed the amount of water for which he was billed for the November 15, 1991 quarter. Kentucky-American avers that the meter was functioning properly and that Mr. Blyton was billed only for the water consumed.

The history of Mr. Blyton's water consumption as shown in Kentucky-American's Exhibit Number 8 depicts that the bill for the November 15, 1991 quarter was significantly higher than any other bill he had received for any quarter of each year since 1982. No evidence was presented at the hearing which would establish that Mr. Blyton's residence had experienced any leaks. Additionally, because Kentucky-American replaced the meter, and the volume of water appears to be unrealistic for two elderly customers to

utilize during a particular quarter, it would be speculative and unreasonable for the Commission to conclude that the meter was functioning properly. Accordingly, the Commission finds that Mr. Blyton did not consume the volume of water during the November 15, 1991 quarter for which he was billed.

CONCLUSIONS OF LAW

Kentucky-American is a public utility subject to the jurisdiction of this Commission. As a public utility, it is authorized by KRS 278.030 to charge fair, just, and reasonable rates for its services. KRS 278.170 further requires that all rates be uniform within the classes served.

The November 15, 1991 water bill sent by Kentucky-American to Mr. Blyton was unreasonable in that it was not based on the amount of water he consumed during the billing period. Mr. Blyton's bill for that period, therefore, should be adjusted.

IT IS HEREBY ORDERED that:

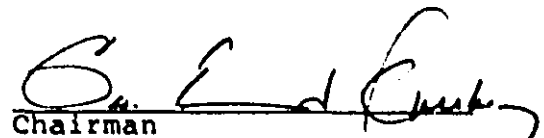
1. Kentucky-American shall reduce the bill for the November 15, 1991 quarter to reflect the average bill for the quarter ending in November from 1982 through 1990.

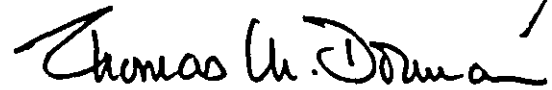
2. Within 30 days of the date of this Order, Kentucky-American shall refund to Mr. Blyton the difference between the bill for the November 15, 1991 quarter and the average bill for the quarter ending in November from 1982 through 1990.


3. Within 40 days of the date of this Order, Kentucky-American shall file proof that a refund has been administered in accordance with this Order.

Done at Frankfort, Kentucky, this 29th day of March, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director